

Washington, DC Department of Housing and Community Development Statement of Intent for Tax Credit Assistance Program Funds

The DC Department of Housing and Community Development (DHCD) intends to accept the entire amount of the District of Columbia's formula allocation of Tax Credit Assistance Program funds (TCAP) in the amount of \$11,644,346 under the American Reinvestment and Recovery Act of 2009. The Department will use these funds with a goal of moving important, shovel-ready affordable housing projects forward quickly that would otherwise be stalled in the current market. In addition, DHCD, in partnership with the DC Housing Finance Agency (DCHFA) will focus these funds on projects that meet the following criteria:

- Selected developments must demonstrate an ability to spend the funds within the designated timeframes.
- Projects selected for TCAP funds must demonstrate immediate readiness to proceed.
- Preference will be given to projects that can close within 60 days of selection.
- Preference will be given to projects that scored highly in the policy priorities sections of the RFP.

The specific date of tax credit award is defined as the date on which the tax credits were committed to the project. For the purposes of this application, DHCD will allow tax credits awarded through September 30, 2009 to be eligible for TCAP funds.

TCAP funds will be available to DCHFA projects that have used 4% Tax Credits, as well as projects in DHCD's 9% Tax Credit pipeline. The Department will work through the existing relationship with DCHFA, the agency that administers all 4 Percent tax credits in the District. Projects funded through HFA are often also subsidized through HOME, CDBG or the local Housing Production Trust Fund, which are administered by DHCD.

Process for Criteria Publication

The Department published the draft criteria for TCAP funding award selection on the Department's website (www.dhcd.dc.gov) beginning May 8, 2009 and in the DC Register beginning May 8, 2009 (<http://newsroom.dc.gov/show.aspx?agency=os§ion=37&release=16968&year=2009&file=file.aspx%2frelease%2f16968%2f09%2520-%2520Notices%2520Opinions%2520and%2520Orders.pdf>). The Department also sent email blasts to community stakeholders to notify them of the guidelines. These guidelines were available to the public for five days via the websites above. The public was invited to comment via phone or email during those five days. The Department received no external comments on the document.

Enforcement of TCAP Timelines

DHCD will monitor all projects awarded TCAP funds to ensure that all grant dollars are spent within the required timeframes or reallocated to projects that can meet those deadlines. DHCD has already begun the process by developing a pipeline of current projects that would be eligible for TCAP funds under the existing criteria. This pipeline includes funding gaps, spend down timeframes, current impediments to closing, and potential closing dates.

In addition, DHCD will take the following steps to ensure that projects selected are able to move through the pipeline with alacrity:

- DHCD will include the DC Housing Finance Agency and the DC Housing Authority on the review panel of projects that apply for TCAP. This will ensure that project information outside DHCD's pipeline is represented accurately.
- DHCD will give preference to projects that can close within 60 days of TCAP award.
- DHCD will monitor projects and work with developers to prevent additional impediments to project closing.

Finally, it is in DHCD's best interest to guarantee that funds are used quickly to avoid losing the awarded funds. The combined pipeline of 4% and 9% Tax Credit projects has approximately 20 developments that are eligible and in need of TCAP funds to move through the pipeline and close. DHCD needs this money to get key projects closed and to avoid the loss of tax credit pricing or changes in credit that may occur if they are stalled until the next fiscal year.

Existing Program Portfolio

DHCD currently administers the HOME Program, the Community Development Block Grant, Emergency Shelter Grant, and HOPWA through the Development Finance Division and the Residential and Community Services Division. The funds are monitored through the agency's Office of Program Monitoring.

2009 Low Income Housing Tax Credit Process

In January, 2009, the Department issued a new Qualified Allocation Plan (QAP) for 9% tax credits. This plan added readiness to proceed and the Green Communities Criteria as threshold requirements. Further, it sharpened the Department's existing focus on housing for special needs consumers. In addition, the 2009 QAP separated the tax credit process from other funding sources to allow for independent RFP issuance.

DHCD released the NOFA for 2009 9% tax credits on April 10, 2009. The applications are due June 1, 2009, and award letters are expected in the summer of 2009.

Contact Person

For additional information on the Department's submission for Tax Credit Assistance Program funds, please contact Brad Hicks at (202) 442-7200 or Housing.Recovery@dc.gov.